

**LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN BERNARDINO**

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DATE: JULY 3, 2007

FROM: MICHAEL TUERPE, LAFCO Analyst

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Item #9: Review and Adoption of Modifications to Internal Operation Guidelines, Human Resources Policies and Guidelines and Benefit Plan for LAFCO Employees

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Approve the amendments to the LAFCO Internal Operation Guidelines, Human Resources Policies and Guidelines, and Benefits Plan.
2. Adopt LAFCO Resolution 2974 amending the LAFCO Internal Operation Guidelines, Human Resources Policies and Guidelines, and Benefits Plan to reflect the approved amendments.
3. Direct the Executive Officer to provide copies of Resolution 2974 to the County Auditor/Controller-Recorder and Manager of the County of San Bernardino's Employee Management and Compensation System (EMACS) for implementation of the changes.

BACKGROUND:

LAFCO currently contracts with the County to administer its benefit and compensation programs, which are equivalent to those provided to County Exempt Employees. Section 101 of the LAFCO Benefits Plan outlines this determination. On June 26, 2007, the County adopted Ordinance No. 4024 amending its Exempt Compensation Plan, which defines the benefits for exempt employees (copy included as Attachment #1). Therefore, modifications are needed to the Commission's Internal Operation Guidelines, Human

Resources Policies and Guidelines, and Benefit Plan to clarify the benefits for LAFCO employees based upon these changes. The documents (included as Attachments 2 – 4) identify the proposed changes in bold italic print with the cover page, table of contents, and the modified sections included. The following describes the changes.

INTERNAL OPERATION GUIDELINES: (Attachment #2)

- Not related to County Ordinance No. 4024, the second page of the Internal Operation Guidelines, which lists the LAFCO Commissioners, is proposed to be removed. If the Commission decides not to remove this page, then each time there is a Commission chair or member change it would require a published update of this document.
- Section 204 (Performance Management): The modification proposes to increase the probationary period for LAFCO exempt employees from 20 pay periods to 26 pay periods (one year). LAFCO exempt employees are the Executive Officer, LAFCO Analysts, and the Clerk to the Commission/Office Manager.
- Section 401 (Expense Reimbursement): The car allowance provided to the Executive Officer is a benefit and not a reimbursable expense. Therefore, Car Allowance (Subsection F-3 of Section 401) is proposed to be rescinded from the Internal Operations Guidelines and added to the Benefits Plan.

HUMAN RESOURCES POLICIES AND GUIDELINES: (Attachment #3)

Section 301 (Sick Leave): The proposed modification decreases the number of years required for eligibility from ten to five years for:

- Compensation in accordance with the provisions of the Retiree Medical Trust Fund,
- Payment to the estate of a deceased employee, and
- Exchanging sick leave hours in excess of 200 hours for vacation time.

BENEFITS PLAN: (Attachment #4)

- Section 108 (Retirement): The following proposed modifications relate to the Retirement Medical Trust Fund (Trust):

- Employee eligibility to participate in the Trust will be five or more years of participation in the San Bernardino County Employees' Retirement Association.
- The LAFCO contribution rate of an eligible employee's bi-weekly salary to the Trust will increase from one-half of one percent (.5%) to one percent (1%). The financial effect of this modification will increase Account 1240 (Life Insurance/Medical Trust), by \$1,079 for an estimated three employees for the 2007-08 Fiscal Year.
- Currently, upon retirement, employees contribute the cash value of their unused sick leave balances to the Trust based on a formula. The proposed modification will set the contribution rate at 75% for all unused sick leave up to 1,400 hours for eligible employees separating for reasons other than death or disability.

This modification affects the sick leave payout of the retiring Clerk. Currently, the sick leave payout is budgeted for \$9,148. The change in the payout percentage will increase the payout to \$13,722, an increase of \$4,574.

- Section 110 (Portable Communication Device Allowance):
 - The title of this section is proposed to be changed from Cell Phone Allowance to Portable Communication Device Allowance to better reflect the benefit.
 - Portable communication devices now have the capability to send and receive emails, in addition to phone calls. The proposed modification will increase the bi-weekly allowance from \$25.00 (for cellular phone) to \$92.31 (for portable communication device). The increase in allowance will increase Account 1030 (Merit Incentive) by \$1,750.
- Section 111 (Automobile Allowance):
 - As noted in the Internal Operation Guidelines portion of this report, the automobile allowance for the Executive Officer is proposed to be rescinded from the Internal Operation Guidelines and added to the Benefits Plan.
 - Additionally, the bi-weekly rate for automobile allowance is proposed to increase from \$346.15 to \$461.54 bi-weekly (\$750 to \$1,000 per month). The increase in allowance will increase Account 1030 (Merit Increase) by \$3,000.

Staff recommends that the Commission approve the modifications to the LAFCO Internal Operation Guidelines, Human Resources Policies and Guidelines, and Benefits Plan through adoption of Resolution 2974 (Attachment #5).

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Attachments:

1. County of San Bernardino Ordinance No. 4024
2. Draft LAFCO Internal Operations Guidelines
3. Draft LAFCO Human Resources Policies and Guidelines
4. Draft LAFCO Benefits Plan
5. Draft Resolution 2974